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To: The Honorable Michael J. "Mike" Michot, Chairman
Joint Legislative Committee on the Budget
The Honorable Members of the Joint Legislative Committee on the Budget

From: H. Gordon Monk, Legislative Fiscal Officer
Evan J. Brasseaux, Section Director

Date: April 18, 2008

Subject: REVISED-GREATER NEW ORLEANS EXPRESSWAY COMMISSION
FY 07-08 BUDGET ANALYSIS

This revised budget analysis includes a \$20,000 decrease in acquisitions and an increase in major repairs and capital improvements of \$20,000. This change was made due to an error in the original budget submitted by the GNOEC to the LFO. These changes are made primarily on pages 2 and 15 of this report.

The Greater New Orleans Expressway Commission (GNOEC) staff annually prepares its budget for approval by the Commissioners in accordance with its bond indenture. Upon approval by the GNOEC, the budget is then submitted to the Legislative Fiscal Office. The GNOEC approved the original budget on October 2, 2007 and submitted the approved budget to the Legislative Fiscal Office on October 31, 2007.

Prior to the submission of the annual operating budget to the Joint Legislative Committee on the Budget for its approval or rejection, the Legislative Fiscal Office reviews the submission of the budget for mathematical accuracy and content. The Legislative Fiscal Office prepares an analysis of the budget submitted by the GNOEC and provides this report to the Joint Legislative Committee on the Budget for its consideration.

BUDGET SUMMARY, FISCAL YEAR 07-08
Greater New Orleans Expressway Commission

	Actual	Actual	Approved	Estimated	Requested	FY 07	Page
	<u>FY 04-05</u>	<u>FY 05-06</u>	<u>FY 06-07</u>	<u>Year End</u> <u>FY 06-07</u>	<u>FY 07-08</u>	<u>vs. 08</u>	<u>No. Notes</u>
Means of Finance							
Highway Fund No. 2	\$4,968,696	\$5,901,748	\$5,650,000	\$5,573,030	\$5,750,000	2%	3 2% increase over FY 07
Tolls	\$13,780,613	\$18,347,511	\$18,885,000	\$17,659,000	\$18,012,000	-5%	3,4 6.7 million crossings in FY 08
Sale of Cell Site Leases	\$0	\$0	\$0	\$3,962,024	\$0		4 One-time cell site lease rev.
Interest Income	\$1,026,702	\$1,607,090	\$575,000	\$1,234,880	\$1,200,000	109%	4 Higher int. rates and fund bal.
Other Revenue	\$495,864	\$510,905	\$459,480	\$1,284,616	\$102,731	-78%	4 Sold annual cell site leases
Total MOF	\$20,271,875	\$26,367,254	\$25,569,480	\$29,713,550	\$25,064,731	-2%	
Expenditures							
Salaries	\$3,181,844	\$3,254,900	\$3,917,882	\$3,612,309	\$4,183,572	7%	4,8 6.5 additional FTEs
Related Benefits	\$1,087,281	\$1,068,802	\$1,315,108	\$1,223,990	\$1,434,985	9%	4,8 Increases 9%
Other Compensation	<u>\$34,180</u>	<u>\$34,180</u>	<u>\$34,180</u>	<u>\$34,180</u>	<u>\$34,180</u>	0%	8 Commissioner's salaries
Personnel Svcs.	\$4,303,305	\$4,357,882	\$5,267,170	\$4,870,479	\$5,652,737	7%	
Operating Services	\$1,925,566	\$2,201,916	\$2,367,500	\$2,852,958	\$2,839,000	20%	5,9 Insurance costs increase 29%
Supplies	\$1,179,799	\$1,665,452	\$1,526,025	\$1,593,328	\$1,514,748	-1%	10
Operating Expenses	\$3,105,365	\$3,867,368	\$3,893,525	\$4,446,286	\$4,353,748	12%	
Professional Services	\$251,067	\$249,096	\$260,000	\$221,056	\$246,000	-5%	11 5% decrease from FY 07
Debt Service	\$4,720,701	\$4,723,340	\$4,753,376	\$4,753,376	\$4,739,889	0%	13 Schedule on page 13
State Surplus-HPL	<u>\$1,374,203</u>	<u>\$1,790,088</u>	<u>\$1,604,698</u>	<u>\$1,523,346</u>	<u>\$1,845,947</u>	15%	5,14 Two additional MAP FTE's
Other Charges	\$6,094,904	\$6,513,428	\$6,358,074	\$6,276,722	\$6,585,836	4%	
Acquisitions	\$520,284	\$744,962	\$675,870	\$675,870	\$564,949	-16%	16 16% decrease
Major Repairs/Cap Im	\$5,996,950	\$10,634,518	\$9,114,841	\$13,223,137	\$7,661,461	-16%	16-18 16% dec. in cap improvement
Acquisitions/Repairs	\$6,517,234	\$11,379,480	\$9,790,711	\$13,899,007	\$8,226,410	-16%	
Total Expenditures	\$20,271,875	\$26,367,254	\$25,569,480	\$29,713,550	\$25,064,731	-2%	

BUDGET REVIEW AUTHORITY

Section 2 of Act 875 of 1988 requires the GNOEC to submit its annual operating budget to the Joint Legislative Committee on the Budget for its approval or rejection. Historically, the Joint Legislative Committee on the Budget has approved the Commission's budget in February or March after the beginning of the Commission's fiscal year.

Section 4 of Act 875 of 1988 provides that the Commission may secure bonds by a trust agreement and that any revenues of the Commission remaining at the end of each fiscal year after (1) payment of all expenses of maintaining and operating the facilities of the Commission and (2) satisfaction of all obligations of the Commission shall be considered surplus. This surplus shall be transferred to the Treasurer of the State of Louisiana for deposit in the Treasury,

provided that prior to the transfer of surplus funds the Commission shall use said funds first for its officers to police the Huey P. Long Bridge, and transfer \$50,000 each fiscal year to each of the parishes of St. Charles, St. John the Baptist, and Tangipahoa. Act 1227 of 1995 provides that the Commission use surplus funds to provide \$50,000 per year beginning in FY 95 to the following: Jefferson and St. Tammany parishes, the City of New Orleans for use by the New Orleans Recreation Department, and the Washington Parish Infrastructure and Park Fund.

BUDGET SUMMARY

The Greater New Orleans Expressway Commission (GNOEC) is requesting approval of a FY 07-08 budget that represents a 2% decrease from the budget approved by the JLCB for FY 06-07. This decrease is largely due to an anticipated decrease in toll revenues of approximately \$875,000 over what was requested by the GNOEC and approved by the JLCB in FY 07.

The GNOEC lost approximately \$2 million in toll revenue in FY 06 due to Hurricane Katrina and recently received \$700,000 from St. Paul Travelers Insurance as a settlement from its business interruption insurance. These funds were received in FY 07 and were expended on major repairs/capital improvements. GNOEC officials explain that tolls were not collected for nearly seven weeks following Hurricane Katrina and chose to not reinstate tolls until one of the two I-10 twin spans were opened. The GNOEC requested reimbursement from DOTD for this lost revenue but was ultimately rejected. St. Pauls Travelers Insurance Company negotiated the aforementioned settlement at a much lower rate than the amount lost and contended that the GNOEC could have renewed toll collections on the causeway much earlier than the date chosen.

In addition, the GNOEC has also submitted a claim for reimbursement for approximately \$13 million for hurricane related structural damages. The FHWA has made a commitment to reimburse the GNOEC fully for this cost but has yet to give any indication as to a date that the payment will be made to the Commission.

MEANS OF FINANCING

Highway Fund Number 2

Highway Fund Number 2 revenues are derived from vehicular license taxes collected in the parishes of Orleans, Jefferson, St. John, St. Charles, Tangipahoa and St. Tammany. These revenues are divided equally at year-end between the Greater New Orleans Expressway Commission and the Crescent City Connection Division. The GNOEC anticipates a total of \$5.75 million in Highway Fund #2 dollars in FY 07-08. As in the previous fiscal year, the GNOEC portion of Highway Fund #2 is greater than its annual debt service. The GNOEC once again requests using this "surplus" for its capital improvement program (formerly called the rehabilitation program). As stated in previous reports, the LFO previously requested and received an Attorney General opinion on this matter of whether these "surplus" funds could be utilized in its budget for use in capital improvements.

Attorney General Opinion Number 05-0059, and its subsequent clarification, notes that "the act (ACT 875 of the 1988 Regular Session) does not specifically reference a rehabilitation program but if the rehabilitation program consists of expenditures related to maintaining and operating the Commission facilities or the renewal or replacement of the Commission facilities then such expenditures would be authorized by the Act and could be used prior to deposit of any surplus into the State Treasury".

Toll Revenues

Toll revenues are budgeted based on historical collections and trends in traffic patterns. The budget for toll revenues for Fiscal Year 08 will decrease by nearly 5% from the amount approved for FY 07. Toll revenues are budgeted at \$18,012,000 for FY 07-08. The GNOEC speculates that this decrease is due to an overestimation made by traffic engineers prior to the FY 07 budget being approved. The GNOEC anticipates that toll revenue will continue to increase gradually from this point due to migration to the north shore. The total number of one-way crossings on the expressway is anticipated to be 6,702,604. Tolls collected depend upon vehicle type and payment method, which includes full fare and discounted fare programs.

Interest Income and Other Revenue

Interest income is projected to increase significantly from the amount approved last fiscal year. This is a result of higher interest rates and maintaining larger balances. Other revenue shows a significant decline due to the decision of the GNOEC to its cell site lease agreement for one-time revenue in FY 07. Prior to this sale, the GNOEC received monthly lease payments in return for providing cell sites locations.

EXPENDITURES

Personnel Expense

The salary expenditure category is budgeted at 6.8% greater than the amount approved in FY 07. This budget includes the addition of 6.5 FTE's. This increase in personnel includes 3 FTE employees in the administration command post who will monitor security cameras on the causeway, two full-time maintenance workers for the motorist assistance patrol allocated to the Huey P. Long bridge (2 FTEs), one full-time toll collector (1 FTE), and addition of a part-time civilian (.5 FTE) in the police department which will prevent commissioned police officers from performing clerical tasks (.5 FTE).

The budget request includes 106.5 full-time equivalent positions for causeway operations. A portion of the personnel count for administration (3 FTE positions) and operations (13.0) are allocated to Huey P. Long Bridge expenditures. Adding these sixteen positions brings the total FTE positions to 122.5.

Pay increases to employees are earned through a level and step program approved by the Commission. Administrative and supervisory personnel receive merit increases as a flat percentage based upon individual job performances. Merit increases generally range from 3% to 5% and are approved each year through the Commission's budget approval process. Pay raises were given beyond this range to both the General Manager (26.1%) and the Assistant General Manager (10.2%). The General Manager's salary was increased by the GNOEC to \$152,775, which equates to an increase of 26.1% since this budget was reviewed in FY 07. According to correspondence between members of the GNOEC, this increase was provided "for his many accomplishments in making bridge safety and efficiency his number one priority, particularly the superior efforts made during and since Hurricane Katrina."

Related benefits expenses will increase by 9.1% as a result of a significant increase in health insurance costs.

Operating Expenses

Operating Expenses include advertising, the publication of public notices and minutes, insurance, travel, telephone and radio expenses, utilities and other operating services. Other operating services include unused vacation and sick leave, dues and subscriptions, trustee fees, bank and visa charges for toll deposits, and other miscellaneous expenses. Operating Expenses will increase by 19.9% or approximately \$470,000 over the total approved in FY 07. The increase is due to a \$477,500 or 29.4% increase in insurance costs on the structure. This insurance premium provides a total of \$90 million in coverage for the entire structure.

Other Charges

Per Act 875 of 1988, the Commission will provide \$50,000 each to the parishes of St. Charles, St. John the Baptist, and Tangipahoa. Per Act 1227 of 1995, the Commission will provide \$50,000 to each of the following: Jefferson Parish, St. Tammany Parish, the City of New Orleans for use by the New Orleans Recreation Department, and the Washington Parish Infrastructure and Park Fund.

The Commission is responsible for the policing of the Huey P. Long Bridge and budgets \$1,495,947 for expenditures paid from anticipated excess revenues to the State. This represents an increase of \$241,249 (19%) over the approved FY 07 budget. This increase can be attributed to an increase in acquisitions of \$33,200 or a 40.9% increase and the addition of two full-time Motorist Assistance Patrol (MAP) personnel allocated to the Huey P. Long bridge.

Total Acquisitions & Major Repairs

This category includes capital acquisitions and the major repairs/capital improvement program. Major Repairs/capital improvements decreases by 16.2% from the amount approved by the Committee last fiscal year. The amount budgeted for acquisitions decreased by 16.4% from FY 07 while the total acquisitions and major repairs category has decreased by 16% from FY 07.

The budget for Major Repairs/Capital Improvement is \$7,661,461 in FY 08. The approved budget request for the capital improvements/rehabilitation program includes twenty-one (21) projects. These projects include north and south shore road improvements (\$1,675,000), north shore merge lanes (\$1.4 million), replacement of collision avoidance radar system (\$1,250,000 for Phases 1 and 2), and north approach road rehabilitation (\$3 million). This request carries forward \$27.9 million from previous years. The capital improvement program also proposes to carry forward \$20.2 million to future fiscal years (see page 15).

FUTURE BUDGET ISSUE

The GNOEC contemplates using salvaged sections of the I-10 twin spans when the structure is demolished next year to address safety concerns. These sections would be used to provide safety bays to give motorists a place to pull off safely in the event of car trouble. This structure currently has no shoulders for disabled vehicles.

Due to the damage that resulted from Hurricane Katrina, any sections would have to clear inspection to be performed jointly by DOTD personnel (or its representative) and the GNOEC. In addition, the GNOEC would also have to explore the legality of this surplus/salvageable material being transferred from the State (DOTD). Also, a review of Section 144 of Title 23 of the United States Codes would be required. This section deals with any structure scheduled for demolition in which federal funds were used.

DOTD would require that the cost of salvaging, shipping and storing would be at no cost to the department. Also, DOTD would need to be fully relieved of all liability should the spans be used by the GNOEC.

The GNOEC has indicated that it has yet to fully explore the potential costs involved in this endeavor and how long the process would take. However, the GNOEC is in the process of seeking approval of the FHWA to use funding originally budgeted for disposal of these spans for the cost of salvaging, shipping and storing in preparation of creating the safety bays. Utilizing these salvaged sections will greatly reduce the potential cost of this effort.

DOTD has committed to working with the GNOEC in salvaging the spans. As the new structure is nearing 30% completion, these issues must be resolved quickly. The demolition contract for the existing structure is scheduled for a January 2010 letting. Final plans would be required near November 2009 to allow for advertisement, which allows less than a year and a half to complete all reviews and finalize an agreement between the two parties.

TOLL INCREASE AND REHABILITATION PROJECTS

In February 1995, the Greater New Orleans Expressway Commission increased tolls and charges on the Lake Pontchartrain Causeway. The revenues generated from the increase are dedicated for the purpose of funding major repairs/capital improvement projects. The schedule of tolls and charges below became effective February 1, 1995.

NOTE: The GNOEC began one-way toll collections in May 1999. Tolls have been collected only on the North Shore since that time.

PRIOR AND CURRENT TOLL SCHEDULE

<u>Height</u>	<u>Type</u>	<u>Axles</u>	<u>Current Toll</u>	<u>Prior Toll</u>
Under 7'6"	Commuter	2	\$2.00	\$0.50
		2	\$3.00	\$1.00
	Cash	3	\$4.50	\$1.50
		4	\$6.00	\$2.00
		5+	\$7.50	\$2.50
Over 7'6"	Cash	2	\$6.00	\$2.35
		3	\$9.00	\$2.90
		4	\$12.00	\$3.75
		5+	\$15.00	\$4.00

PERSONNEL EXPENSE

SALARIES	FTE	Actual FY 04-05	FTE	Actual FY 05-06	FTE	Approved FY 06-07	FTE	Requested FY 07-08
General Manager	1.0	\$108,938	1.0	\$114,385	1.0	\$121,196	1.0	\$152,775
Asst. Gen. Manager	1.0	\$66,475	1.0	\$73,262	1.0	\$79,503	1.0	\$87,644
N. Shore Supervisor	1.0	\$48,947	1.0	\$51,886	1.0	\$56,099	1.0	\$58,902
Office Personnel	16.5	\$587,688	15.5	\$561,242	16.0	\$635,090	19.0	\$660,306
Less: HPL Adm.	<u>(3.0)</u>	<u>(\$120,662)</u>	<u>(3.0)</u>	<u>(\$125,484)</u>	<u>(3.0)</u>	<u>(\$137,578)</u>	<u>(3.0)</u>	<u>(\$146,414)</u>
Total Administrative	16.5	\$691,386	15.5	\$675,291	16.0	\$754,310	19.0	\$813,213
Toll Collectors	12.0	\$334,031	12.5	\$371,885	13.5	\$402,819	14.5	\$433,053
Bridge Monitors	5.0	\$119,154	5.0	\$121,564	5.0	\$137,575	5.0	\$135,526
Maintenance	25.0	\$662,494	25.0	\$669,131	27.0	\$796,560	29.0	\$884,174
Dispatch/Bascule Oper.	19.5	\$505,850	19.5	\$521,215	19.5	\$690,091	19.5	\$689,433
Police	30.0	\$1,360,934	30.0	\$1,375,996	32.0	\$1,813,482	32.5	\$2,001,551
Less: HPL Operations	<u>(12.0)</u>	<u>(\$492,005)</u>	<u>(13.0)</u>	<u>(\$479,721)</u>	<u>(13.0)</u>	<u>(\$676,955)</u>	<u>(13.0)</u>	<u>(\$773,378)</u>
Total Operations	79.5	\$2,490,458	79.0	\$2,580,070	84.0	\$3,163,572	87.5	\$3,370,359
TOTAL SALARIES	96.0	\$3,181,844	94.5	\$3,255,361	100.0	\$3,917,882	106.5	\$4,183,572
Related Benefits								
Parochial (Retirement)		\$512,178		\$534,138		\$674,556		\$735,090
Group Insurance		\$570,229		\$542,732		\$700,451		\$840,300
Retirees Group Benefits		\$97,013		\$77,170		\$87,216		\$56,500
Gov. Def. Comp. Plan		\$86,400		\$86,400		\$86,400		\$86,400
Less: HPL Rel. Benef.		<u>(\$178,539)</u>		<u>(\$171,638)</u>		<u>(\$233,515)</u>		<u>(\$283,305)</u>
Total Related Benefits		\$1,087,281		\$1,068,802		\$1,315,108		\$1,434,985
Other Compensation*		\$34,180		\$34,180		\$34,180		\$34,180
Total Personnel Expense		\$4,303,305		\$4,358,343		\$5,267,170		\$5,652,737

* Other Compensation represents the salaries of the Greater New Orleans Expressway Commissioners. The five appointed commissioners are paid \$569.66 per month for Commission duties as provided by an amendment to the Articles of Incorporation of the Great Expressway Commission. The Articles of Incorporation were executed by the Parishes of Jefferson and St. Tammany on October 20, 1954, with the above amendment being approved on August 7, 1986.

Requested Adjustments to Full Time Equivalency Position (FTE) Count:	<u>FTEs</u>
Fiscal Year 2007 FTEs Approved (Including HPL Personnel)	116.0
Net increase of personnel (FTEs)	<u>6.5</u>
Requested Fiscal Year 2008 FTEs (Including HPL Personnel)	122.5

OPERATING EXPENSES

	Actual	Actual	Approved	Requested	FY 07
OPERATING SERVICES	<u>FY 04-05</u>	<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>to FY 08</u>
Advertising	\$4,791	\$3,603	\$15,000	\$15,000	0.0%
Publication of Public Notices and Minutes	\$2,687	\$6,666	\$5,000	\$3,500	-30.0%
Insurance	\$1,324,967	\$1,500,069	\$1,622,500	\$2,100,000	29.4%
Travel	\$685	\$8,571	\$7,500	\$7,500	0.0%
Telephone and Radio	\$179,501	\$194,572	\$187,000	\$193,000	3.2%
Utilities	\$226,352	\$270,956	\$270,000	\$250,000	-7.4%
Other Operating Services	<u>\$186,583</u>	<u>\$217,479</u>	<u>\$260,500</u>	<u>\$270,000</u>	3.6%
TOTAL OPER. SERVICES	\$1,925,566	\$2,201,916	\$2,367,500	\$2,839,000	19.9%

The increase in this category is largely due to an increase in insurance expenses of 29.4% or \$477,500

OTHER OPERATING SERVICES SUMMARY

	Actual	Actual	Approved	Requested	FY 07
Other Operating Services	<u>FY 04-05</u>	<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>to FY 08</u>
Unused Vacation & Sick Leave	\$31,488	\$52,498	\$70,000	\$70,000	0.0%
Dues and Subscriptions	\$8,204	\$6,251	\$18,000	\$15,000	-16.7%
Trustee Fees	\$7,500	\$10,000	\$15,000	\$15,000	0.0%
Bank & Visa Charges on Toll Deposits	\$139,391	\$148,730	\$157,500	\$170,000	7.9%
All Other	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	0.0%
TOTAL OTHER OP. SVC.	\$186,583	\$217,479	\$260,500	\$270,000	3.6%

This category also includes dues to the International Bridge, Tunnel and Turnpike Authority and for memberships in various police associations and chambers of commerce.

SUPPLIES EXPENSE

	Actual	Actual	Approved	Requested	FY 07
Supplies Expense Items	<u>FY 04-05</u>	<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>to FY 08</u>
Ofc. Expense and Supplies	\$126,256	\$162,380	\$255,712	\$258,100	0.9%
Oper. Expenses & Supplies	\$475,444	\$685,267	\$634,313	\$617,140	-2.7%
Repair & Maint./Supplies	<u>\$578,099</u>	<u>\$817,805</u>	<u>\$636,000</u>	<u>\$639,508</u>	0.6%
TOTAL SUPPLIES EXP.	\$1,179,799	\$1,665,452	\$1,526,025	\$1,514,748	-0.7%

Office Expense and Supplies:

The GNOEC is requesting a .9% increase in its office expense and supply budget. Because of the significant increase in costs of labor and materials following Hurricane Katrina, the construction of a new building to house Administration and Dispatch departments, previously included in the South Toll Plaza Renovations project, was cancelled and deleted from the project. Office space has been leased to accommodate these departments, with the cost being included in this expenditure category. The GNOEC is currently leasing a total of 4,982 square feet of office space which has resulted in the significant change in this category since FY 06.

Included in this general ledger account are the costs related to disposal services, postage, extermination and termite control, office machine repairs and maintenance contracts, and other general administrative office supplies.

Operating Expenses and Supplies:

The approved budget for FY 07 is \$617,140 or a 2.7% decrease from the previous approved budget.

Included in the general ledger account Operating Supplies are the costs associated with vehicle and truck repairs and their routine preventative maintenance. All gasoline, oil, auto parts, tires, lubricants, diesel fuel and any other similar costs are in this account. All police equipment on the vehicles and related maintenance is in this account. Also included in this account are all police uniforms and protective equipment and any expenditures for police car retrofitting. Finally, 9/11 security patrols that were initiated in FY 03 are included in this category.

Repair and Maintenance Supplies:

The amount budgeted in this category shows a slight increase over the amount budgeted in FY 07.

Included in this account are the costs for general maintenance and supplies needed on the bridge, toll tags, toll system software maintenance, computer and electronic repairs on all bridge equipment, plumbing and janitorial supplies for the entire operation, and air conditioning contracts and other miscellaneous items dealing with operations maintenance. Also included are the components of the crash attenuators on the bridge which must be kept in stock and used by maintenance personnel in repairing damaged attenuators.

PROFESSIONAL SERVICES

Professional Service Items	Actual FY 04-05	Actual FY 05-06	Approved FY 06-07	Requested FY 07-08	FY 07 to FY 08
Accounting and Finance					
Independent Audit	\$9,960	\$15,000	\$15,000	\$15,000	0.0%
Accounting Services	<u>\$84,405</u>	<u>\$86,275</u>	<u>\$100,000</u>	<u>\$85,000</u>	-15.0%
Total Accounting and Finan.	\$94,365	\$101,275	\$115,000	\$100,000	-13.0%
Engineering *					
Engineering Traffic Consultant	\$5,000	\$4,304	\$5,000	\$5,000	0.0%
Engineering Consultant	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,000</u>	
Total Engineering	\$5,000	\$4,304	\$5,000	\$11,000	120.0%
Litigation & Legal Representation					
Prior Litigation	\$0	\$0	\$0	\$0	0.0%
Gen. Counsels	<u>\$73,646</u>	<u>\$83,194</u>	<u>\$75,000</u>	<u>\$75,000</u>	0.0%
Total Litigation/Legal	\$73,646	\$83,194	\$75,000	\$75,000	0.0%
Other Professional Services					
Investment Consultant-Sisung	\$78,056	\$59,193	\$65,000	\$60,000	-7.7%
Police Integrity & Ethics	<u>\$0</u>	<u>\$1,130</u>	<u>\$0</u>	<u>\$0</u>	0.0%
Total Other Prof. Services	\$78,056	\$60,323	\$65,000	\$60,000	-7.7%
TOTAL PROF. SERV.	\$251,067	\$249,096	\$260,000	\$246,000	-5.4%

* Not included in this category are the engineering costs associated with Major Repairs and the Capital Improvement Program projects. These costs generally range from 5 to 6% of the total project cost.

Beginning in FY 99-00, the Legislative Auditor began performing an annual audit of Commission's financial statements. That review is now being performed by an independent CPA firm. The Commission, with the recommendation of the Legislative Auditor, has budgeted \$15,000 for this activity.

Accounting Services includes preparation of the financial statements and budget documents.

The traffic engineer provides information pertaining to annual traffic studies and toll analyses which are used mainly for budget and operations planning.

Litigation and legal representation includes general legal consultation and litigation unrelated to insurance matters.

The Investment Consultant fee is based upon the amount of the rehabilitation fund investments under the consultant's management.

OTHER CHARGES

Other Charges Expenditures	Actual FY 04-05	Actual FY 05-06	Approved FY 06-07	Requested FY 07-08	FY 07 to FY 08
Debt Service	\$4,720,701	\$4,723,340	\$4,753,376	\$4,739,889	-0.3%
Interagency Expense					
Act 875 of 1988					
St. Charles Parish	\$50,000	\$50,000	\$50,000	\$50,000	0.0%
St. John the Baptist Parish	\$50,000	\$50,000	\$50,000	\$50,000	0.0%
Tangipahoa Parish	\$50,000	\$50,000	\$50,000	\$50,000	0.0%
Total Act 875	\$150,000	\$150,000	\$150,000	\$150,000	0.0%
Act 1227 of 1995					
City of New Orleans	\$50,000	\$50,000	\$50,000	\$50,000	0.0%
Jefferson Parish	\$50,000	\$50,000	\$50,000	\$50,000	0.0%
St. Tammany Parish	\$50,000	\$50,000	\$50,000	\$50,000	0.0%
Washington Parish	\$50,000	\$50,000	\$50,000	\$50,000	0.0%
Total Act 1227	\$200,000	\$200,000	\$200,000	\$200,000	0.0%
Huey P. Long Bridge	\$1,024,203	\$1,440,088	\$1,254,698	\$1,495,947	19.2%
Total Interagency Expense	\$6,094,904	\$6,513,428	\$6,358,074	\$6,585,836	3.6%
Transfer to State of Louisiana (excess GNOEC collections)	\$0	\$0	\$0	\$0	0.0%
TOTAL OTHER CHARGES	\$6,094,904	\$6,513,428	\$6,358,074	\$6,585,836	3.6%

Other Charges consist of Debt Service, Interagency Expense, and State Surplus. Interagency Expense includes expenditures Per Act 875 of 1988 and Act 1227 of 1995. These Acts provide, prior to the transfer of surplus funds to the State of Louisiana, funding for the policing of the Huey P. Long Bridge and for the transfer of funds to the above local agencies. The Commission last returned surplus revenues to the State of Louisiana in FY 94 in the amount of \$104,748. Act 875 of 1988 requires the Commission to use surplus funds to police the Huey P. Long Bridge.

DEBT SERVICE REQUIREMENTS

1-Nov	Series 1999A Bonds Total Debt Service	Series 2003 Bonds Principal	Series 2003 Bonds Interest	Series 2003 Bonds Total Debt Service	Combined Total Debt Service Requirements
2003	\$1,334,513	\$550,000	\$1,306,361	\$1,856,361	\$4,741,002
2004	\$1,324,763	\$1,050,000	\$2,388,439	\$3,438,439	\$4,763,201
2005	\$1,343,263	\$1,010,000	\$2,367,439	\$3,377,439	\$4,720,701
2006	\$1,333,763	\$1,060,000	\$2,347,239	\$3,407,239	\$4,741,001
2007	\$1,347,338	\$1,080,000	\$2,326,039	\$3,406,039	\$4,753,376
2008	\$1,333,150	\$1,105,000	\$2,301,739	\$3,406,739	\$4,739,889
2009	\$1,342,350	\$1,130,000	\$2,276,876	\$3,406,876	\$4,749,226
2010	\$1,347,800	\$1,160,000	\$2,244,389	\$3,404,389	\$4,752,189
2011	\$1,326,488	\$1,200,000	\$2,207,269	\$3,407,269	\$4,733,756
2012	\$1,330,300	\$1,240,000	\$2,166,769	\$3,406,769	\$4,737,069
2013	\$1,331,225	\$1,285,000	\$2,123,369	\$3,408,369	\$4,739,594
2014	\$1,329,263	\$1,330,000	\$2,076,788	\$3,406,788	\$4,736,050
2015	\$1,329,413	\$1,375,000	\$2,030,238	\$3,405,238	\$4,734,650
2016	\$1,331,413	\$1,450,000	\$1,958,050	\$3,408,050	\$4,739,463
2017	-	\$1,525,000	\$1,881,925	\$3,406,925	\$3,406,925
2018	-	\$1,605,000	\$1,801,863	\$3,406,863	\$3,406,863
2019	-	\$1,685,000	\$1,721,613	\$3,406,613	\$3,406,613
2020	-	\$1,770,000	\$1,637,363	\$3,407,363	\$3,407,363
2021	-	\$1,840,000	\$1,564,350	\$3,404,350	\$3,404,350
2022	-	\$1,920,000	\$1,486,150	\$3,406,150	\$3,406,150
2023	-	\$2,005,000	\$1,402,150	\$3,407,150	\$3,407,150
2024	-	\$2,105,000	\$1,301,900	\$3,406,900	\$3,406,900
2025	-	\$2,210,000	\$1,196,650	\$3,406,650	\$3,406,650
2026	-	\$2,320,000	\$1,086,150	\$3,406,150	\$3,406,150
2027	-	\$2,435,000	\$970,150	\$3,405,150	\$3,405,150
2028	-	\$2,560,000	\$848,400	\$3,408,400	\$3,408,400
2029	-	\$2,640,000	\$730,000	\$3,370,000	\$3,370,000
2030	-	\$2,775,000	\$598,000	\$3,373,000	\$3,373,000
2031	-	\$2,915,000	\$459,250	\$3,374,250	\$3,374,250
2032	-	\$3,060,000	\$313,500	\$3,373,500	\$3,373,500
2033	-	\$3,210,000	\$160,500	\$3,370,500	\$3,370,500
Total	\$18,685,038	\$54,605,000	\$49,280,914	\$103,885,914	\$124,121,079

HUEY P. LONG BRIDGE

Huey P. Long	Approved	Requested	FY 07
<u>Bridge</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>to FY 08</u>
Administrative			
Administrative Salaries	\$137,578	\$146,414	6.4%
Payroll Taxes	\$19,449	\$20,784	6.9%
Payroll Benefits	\$23,284	\$28,730	23.4%
Materials, Supplies, Contract Work	<u>\$0</u>	<u>\$0</u>	0.0%
Total Administrative Function	\$180,311	\$195,928	8.7%
Operations			
Police Patrol	\$542,626	\$601,236	10.8%
Dispatch	\$76,813	\$79,878	4.0%
Payroll Taxes	\$90,542	\$100,029	10.5%
Payroll Benefits	\$73,096	\$87,932	20.3%
Materials, Supplies, and Maint.	\$75,000	\$120,000	60.0%
Telephone and Radio	\$25,000	\$25,000	0.0%
Unused Vacation and Sick Leave	\$5,500	\$5,500	
Insurance	<u>\$20,000</u>	<u>\$28,000</u>	40.0%
Total Operations	\$908,577	\$1,047,575	15.3%
Maintenance			
Maintenance Personnel	\$57,516	\$92,264	60.4%
Payroll Taxes	\$8,311	\$13,563	63.2%
Payroll Benefits	<u>\$18,833</u>	<u>\$32,267</u>	71.3%
Total Maintenance	\$84,660	\$138,094	63.1%
Capital Acquisitions	\$81,150	\$114,350	40.9%
TOTAL HUEY P. LONG BRIDGE	\$1,254,698	\$1,495,947	19.2%

Since Act 875 of 1988, the Commission has budgeted expenditures for the policing of the Huey P. Long Bridge not as a part of its operating budget but as a reduction to surplus. A percentage of the Commission's administrative, police, and maintenance salaries and benefits, equipment, and acquisitions comprise total expenditures associated with the policing function.

Total expenditures for policing the Huey P. Long Bridge will increase by nearly 20% or \$241,249 due to increased operating and maintenance costs and a 40% increase in acquisitions. FY 08 acquisitions included the purchase of two vehicles with associated equipment including radar, video, light bars, and computers plus the purchase of a portable variable messaging sign at a cost of \$25,000.

ACQUISITIONS AND MAJOR REPAIRS

Causeway Acquisitions, Major Repairs and Capital Improvement Program	Approved FY 07-08
Capital Acquisitions	
Police	\$195,200
Maintenance	\$273,649
Operations & Administration	\$96,100
Total Capital Acquisitions	\$564,949
Major Repairs	
Consulting Engineering	\$500,000
Annual AASHTO Inspection	\$300,000
Emergency and Periodic Repairs	\$250,000
Prev Maint of Mech & Elect Sys	\$50,000
System Improvement	\$200,000
Total Major Repairs	\$1,300,000
Capital Imp./Rehabilitation Program	
North Toll Plaza Fuel and Wash Facility	\$750,000
South Toll Plaza Ren. Bldg/Roadway	\$1,000,000
North Channel Bascule Control Syst Rep.	\$1,000,000
North Shore Merge Lanes	\$1,400,000
Acceleration/Dec. Lanes at Crossover #4	\$100,000
North Approach Road Rehab-Drainage	\$3,000,000
South Channel Fender Rep/Struct. Impr.	\$750,000
Drive/Drainage Impr at North Toll Plaza	\$500,000
North Toll Plaza Cable Management	\$150,000
Replacement of Collision Avoidance Syst.	\$1,250,000
South Toll Plaza Rem of Diesel Fuel Cont.	\$500,000
CCTV Cameras for Security on Bridge Cross	\$150,000
Variable Message Signs (Maint. Agreement)	\$200,000
Fender Replacement North Channel	\$500,000
Bascule Span Motor Replacement	\$450,000
North and South Shore Road Improvements	\$1,675,000
La. Highway 22 Widening and Interim Proj.	\$750,000
Funds carried forward from Prior Year	(\$27,995,647)
Funds carried forward to Next Year	<u>\$20,232,108</u>
Total Cap. Imp./Rehabilitation Program	\$6,361,461
TOTAL ACQ, MAJ. RPRS. & CAP IMP.	\$8,226,410

Acquisitions, Major Repairs/Capital Improvement Expenditure Category

Capital Acquisitions

Capital Acquisitions totals \$584,949 in FY 07-08 and includes items such as police automobiles, maintenance vehicles, and office acquisitions. This category is budgeted at 13% less than the amount budgeted in FY 07.

Causeway police acquisitions in FY 08 totals \$195,200 and includes the purchase of six police vehicles (\$144,000) and related equipment (\$51,200). The related equipment includes six stalker radars and six light bars at a total cost of (\$31,200) and two in-car computers costing \$20,000.

Maintenance acquisitions for FY 08 total \$273,649 and includes the purchase of two F-250 trucks at a cost of \$45,000 (\$22,500/truck), one F-150 truck at a cost of \$17,500, two 8' bushogs at a cost of \$25,000 (\$12,500/bushog), one 55-60 HP tractor with A/C cab costing \$30,000, and an F-350 truck with utility body with crane and associated equipment costing \$73,000 for the Motorist Assistance Patrol (MAP).

Administrative acquisitions total \$26,500 and includes the purchase of one Ford Crown Victoria costing \$26,500.

Operations acquisitions total \$69,600 and includes landscaping for plaza, approaches, and the Monroe St. overpass (\$25,000) and a radio system for toll booths and buildings (\$15,000) and two digital video recorders to record security cameras at a cost of \$11,000 /dvr.

Major Repairs / Capital Improvement Program

Total expenditures anticipated on this program for FY 07-08 is \$7,661,461. Funds carried forward represent \$27.9 million in funds budgeted in prior years for FY 07-08 major repairs and capital improvement projects. In addition, the GNOEC will carry forward a total of \$20.2 million for future projects. The GNOEC is required to have all funds available prior to the start of any projects. A complete list of the GNOEC Rehabilitation Projects with a brief description of each project may be found on page 15 of this report. The above costs include design, construction, and construction management. Consulting engineering firms provide all engineering services for Major Repairs and the Rehabilitation Program. The design engineering work generally costs approximately 5-6% of the construction cost. The cost of consulting engineers employed in the management of construction contracts is approximately 5.25%-6% of the construction cost.

The budget approved by the GNOEC on November 6, 2007 includes the capital improvement projects listed below. The projects approved by the GNOEC for a typical fiscal year often are changed in the course of the year due to changing priorities and other factors which require projects be moved (either delayed or moved forward).

South Toll Plaza Renovations-Building Additions & Modifications and Roadway (\$1,000,000) involves renovation of the existing space for the Police Department, Records Department, Maintenance, South Shore Tag Store and Security Camera Department. Also includes reconstruction of the South Toll Plaza to provide a longer merge distance between the three-lane roadway section and the two-lane bridge section.

Variable Message Sign (VMS) Maintenance (\$200,000)- This provides for the inspection and maintenance of the variable message signs and call box systems on the bridge.

North Channel Bascule Control System Replacement(\$1,000,000)-This project includes the replacement of the entire electrical, control and utilization system for the North Channel Bascule.

South Toll Plaza Diesel Fuel Contamination- Phase Product Removal (\$500,000) –This project provides for the removal of phase product at the former site of an underground diesel storage tank at the South Toll Plaza.

Replacement of Collision Avoidance Radar System- Phases I & 2 (\$1,250,000) –This project provides for the replacement of the marine radar located at the North Channel Bascule. All radar equipment will be replaced. New antenna will be installed at the Bascule and Crossover 5. In addition, the radar antennae will be relocated to platforms to be built on the sides of the bridge.

North Shore Merge Lanes (\$1,400,000) – Includes the widening of the southbound bridge at the North Toll Plaza to provide a longer merge lane between the four-lane toll plaza and the two-lane bridge. The project will also repair hurricane damage, install retaining walls, resurface the approach roadway and improve roadway lighting between the toll plaza and the bridge.

North Approach Road Rehabilitation- Drainage Part B, Brookside Modifications, LA 22 U-turn & Third Lane (\$3,000,000) – In addition to rehabilitation of the pavement on the North Approach Road, this project includes modifications to the Brookside Drive intersection, installation of an additional lane from Florida Street to LA 22, installation of a U-turn at LA 22, and drainage improvements to the corridor. The first half of this project was funded in FY 07.

CCTV Cameras for Security on Bridge and Marine Crossings (\$150,000)- This project provides for the installation of twenty-five security cameras at strategic locations along the Causeway Bridge.

Fender Replacement North Channel (\$500,000)- Replacement of the existing fender system at the North Channel Bascule. The new fender, to be constructed of composite materials, will be increased in length and size to afford additional protection to the Causeway. In addition, steel dolphins will be added at the ends of the fender and access walkways from the towers will be installed. The new fender will also have improved navigation lighting and signs to assist marine traffic.

North Toll Plaza Fuel & Wash Facility (\$750,000)- This project is for the installation of a new larger diesel fuel tank for the emergency generator and a new gasoline tank. An environmentally responsible vehicle washing facility is included in this project.

North Toll Plaza Cable Management (\$150,000)- This project will develop a cable management plan for all buildings and associated facilities at the North Toll Plaza. The purpose is to systemically identify all existing wiring, determine what corrective action needs to take place and accommodate future needs.

North/South Shore Road Improvements (Total=\$1,675,000)- North Shore (\$1,025,000)- The Florida Street U-turn improvement will improve the ability to make a U-turn from northbound North Approach into the southbound east service road. The U.S. Highway 190 overpass project lays the groundwork for the addition of more capacity on the U.S. Highway 190 overpass at Covington. The East Approach at Monroe Street overpass project will provide additional pavement width sufficient to have an additional lane for southbound traffic coming from East Causeway Approach and Monroe Street as it passes beneath Monroe Street Overpass. It will provide additional merge space and acceleration of traffic moving toward the North Toll

Plaza. South Shore (\$650,000)- The Causeway/Veteran/I-10 intersection project will provide an improved geometry and safer flow of traffic exiting and entering I-10 from North Causeway Boulevard. Modifications to the ramps, intersection geometry and new signalization will increase capacity and improve safety at the intersection. The Veterans Boulevard U-turn project will provide a new U-turn on Veterans Boulevard to provide an eastbound to westbound U-turn. The existing U-turn beneath the Causeway Boulevard overpass will be closed. Traffic will be directed to eastbound Veterans Boulevard to the new U-turn.

LA. Highway 22 Widening and Interim Project (\$750,000)- The widening project calls for the widening and improvement of LA. Hwy 22 from its intersection at North Causeway Approach to the Tchefuncte River at Madisonville. The GNOEC is providing pre-construction services only while DOTD will provide construction funding and construction services. The interim project is intended to provide relief of traffic congestion on LA. Hwy 22, particularly during the afternoon and evening rush hour. The project calls for minor widening of LA. Hwy 22 to provide a roadway four lanes wide which consists of two westbound travel lanes, one eastbound travel lane and a continuous turning lane. The project is to be constructed using St. Tammany Parish funds with GNOEC paying for engineering services.

Bascule Span Motor Replacement (\$450,000)- This project provides for installation of emergency span motors at the North Channel Bascule. In the summer of 2005, operation of the southwest leaf of the North Channel Bascule was interrupted due to a damaged submarine cable. While emergency repairs were being made to the submarine cable, a backup span motor was installed to restore operation in the interim. This project provides for the installation of emergency backup span motors on the three remaining leaves. In addition to providing emergency backup, these motors will provide for the primary operation of the bascule during the control system replacement.

Drive and Drainage Improvements (\$500,000)- Additional Access to North Toll Plaza (\$500,000)- This project will provide an additional drive to access the North Toll Plaza and the Tag Sales Office. The project will culvert the open ditches crossing the area adjacent to the Toll Plaza. This will improve drainage discharge through the Toll Plaza, mitigate erosion problems and provide more efficient maintenance of the area.

South Channel Fender Repair & Structural Improvement (\$750,000)- This project provides for repairs to the south channel fender system, replacement of the fender access stairs and installation of a CCTV camera access platform.

Acceleration/Deceleration Lanes at Crossover #4-Design and Permitting (\$100,000)- This project provides for the widening of the Northbound and Southbound Causeway Bridges to improve safety by providing for acceleration and deceleration lanes at Crossover #4. Other than the crossovers, there are no shoulders or other areas to safely pull out of traffic flow in cases of emergency or breakdown. Vehicles then pulling out of a crossover must proceed out into moving traffic from a dead stop without the benefit of safe acceleration and merge lanes.

Finally, in the approved GNOEC budget request, the Commission intends to carry forward \$20.2 million in order to fund future projects on the major repair and improvements program. The GNOEC anticipates directing these funds to projects scheduled to begin in 2007. These projects include the following: North Channel Bascule Control System Replacement, South Toll Plaza Diesel Fuel Contamination-Next Phase of removal, Piling Restoration Part E, and North Toll Plaza Fuel & Wash Facility. Funds are often carried forward to future fiscal years as the GNOEC is required by its bond indenture to have all construction funds available before a project can be initiated.